



Thursday, August 31, 2006

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**Public Works
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 22

Subject: Authorize the City Manager to negotiate and execute construction contracts with Hensel Phelps Construction Company and the Schindler Group for the completion of the Austin-Bergstrom International Airport Elevator and Escalator Improvement Project in the not to be exceeded aggregate amount of \$1,105,281 as an item necessary to preserve or protect the public health or safety.

Additional Backup Material

(click to open)

Fiscal Note

For More Information: Sondra Creighton

In 2004, the Department of Aviation determined that the terminal's elevators and escalators needed to be replaced and/or improved due to a history of system failures and safety related concerns, including a documented history of accidents and injuries. The City contracted with the Aguirre Corporation for architectural and engineering services for the ABIA Elevator and Escalator Improvements Project (the "Project"). The City received grants from the Federal Aviation Administration (the "FAA") and allocated other City funding for the Project. The City issued an invitation for bids for the Project and a construction contract was awarded to Stewart-Matl, Ltd. On August 18, 2006, with the Project only partially completed, the City terminated its contract with Stewart-Matl, Ltd. Several of the elevator and escalator improvements are temporarily inoperative. During the week of August 21st, four escalators were inoperative at one time. Two of the escalators were inoperative for more than 24 hours.

There is an immediate need to have the remaining work performed by a replacement general contractor without further bidding in order to preserve or protect the public health or safety of the City's residents and the traveling public, as allowed by Section 252.002(a)(2) of the Texas Local Government Code. Until the Project is completed, the ability of Airport Operations to implement an emergency response preparedness plan and to safely, expeditiously, and efficiently evacuate the terminal may be compromised. In addition, until the Project is completed, the terminal building may not provide a reasonably accessible route for handicapped persons to travel from the concourse level to the baggage claim area. Hensel Phelps Construction Company, a national construction company with extensive experience in airport construction, is currently on site completing the ABIA Baggage System Design Build Project and has indicated its willingness to negotiate with the City to contract to complete the ABIA Elevator Escalator Improvement Project.

In addition to a new contract with a general contractor, the City will need to contract directly with the Schindler Group, the elevator and escalator equipment manufacturer, without further bidding in order to insure consistency in the installation, maintenance and safety of the equipment, as a further measure necessary to preserve or protect the public health or safety. Schindler has already manufactured and delivered a portion of the replacement elevator and escalator units and is in the process of manufacturing and delivering the remaining units. The Department of Aviation is satisfied that the quality of the new elevator and escalator units meets the applicable specifications and will adequately preserve or protect the health or safety of the City's residents and the traveling public.

The not to be exceeded amount of \$1,105,281 represents the currently remaining Project balance. Additional funding in excess of the amount of the remaining balance of the original contract will be needed to complete the

Project, which will require a budget amendment. The contracts will be negotiated with a funded scope based on available funding and a remaining scope contingent on the allocation of additional funding. The currently amount of available funding will be subject to payment to Stewart-Matl for work previously performed, for its costs of termination, and for the costs of terminating subcontracts, as provided in the construction contract. The FAA has indicated that the remaining grant funds will be eligible to fund close-out and buy-out costs and certain categories of payments for the new contracts, which are anticipated to exceed the available funding. In addition, the available grant funds are subject to an ongoing reimbursement process and an exact amount of remaining grant funds available to fund the new contracts will be determined in the Stewart-Matl close-out and subcontractor buy-out process. The City will negotiate the federal disadvantaged business enterprise ("DBE") participation with Hensel Phelps in the contract negotiation process. Hensel Phelps is aware of the DBE program and has an excellent record of program compliance. Schindler is a publicly held corporate entity and will not subcontract its work.

The substantial amount of time required to revise plans and specifications, repackage bid documents, advertise for replacement contractors, award contracts, and execute new contracts, would result in a failure to adequately preserve or protect the public health or safety. The purchase of the remaining equipment and services can be made as expeditiously as possible under the provisions of the Texas Local Government Code and Texas case law, in order to protect or preserve the public health or safety of the municipality and members of the traveling public.

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

8/31/2006
Resolution
Aviation

DESCRIPTION: Authorize execution of a construction contract with Hensel-Phelps Construction Company and the Schindler Group for the completion of the Austin-Bergstrom International Airport Elevator and Escalator Improvement Project in the not to be exceeded aggregate amount of \$1,105,281, as an item necessary to preserve or protect the public health or safety.

FINANCIAL INFORMATION

Project Name:	Elevator & Escalator Improvements
Project Authorization:	2005-2006 Amended Capital Budget
Funding Source:	Airport Capital Fund -
Fund/Agency/Orgn:	4910-817-3086

Current Appropriation	\$6,100,000.00
Available Balance	\$1,105,281.00
Amount of this Action	<u>(\$1,105,281.00)</u>
Remaining Balance	<u><u>\$0.00</u></u>